

**INTERAGENCY INTERNAL AUDIT AUTHORITY
OPEN SESSION MINUTES
JULY 25, 2022**

The Interagency Internal Audit Authority (IIAA) met virtually at 8:00 a.m. Those present were:

IIAA Members: Chair Jon Alexander, Vice Chair Nicole Prorock, Shaun Jones, Steve McKay, and Sue Johnson

IA Staff: Tricia Reaver and Dawn Reed

FCC Staff: Amy Stakes

FCPS Staff: Melissa Rollison and Amanda Baugher

FCG Staff: Lori Depies

Contractors:

SC&H: Matt Simons, Sam Fitzgerald, and Charles Ward

CLA: Sean Walker and Cheri Amoss

SB & Company: Chris Lehman

Approval of Agenda – July 25, 2022

Mrs. Nicole Prorock made a motion to accept and approve the agenda for July 25, 2022, seconded by Mrs. Sue Johnson. All those present voted in favor (Shaun Jones and Dr. April Miller absent). The motion passes.

Approval of Open Meeting Minutes – June 15, 2022

Mr. Steve McKay made a motion to accept and approve the IIAA open meeting minutes of June 15, 2022, as submitted, seconded by Mrs. Sue Johnson. All those present voted in favor (Shaun Jones and Dr. April Miller absent). The motion passes.

Status of Assignments

CLA:

FCG Pension Plan – Mrs. Reaver said this is currently underway as the team from CLA was on site last week. Mrs. Reaver said they will put everything together, go through the calculations and then come up with a full list of questions, Mr. Sean Walker, CLA, confirmed.

SC&H:

FCC Fixed Assets and Inventories, Accountability and Surplus – Mrs. Reaver said this is in the testing phase. SC&H was on site at FCC on July 11th and July 15th. She said they reviewed the bookstore and went through the inventory process and briefly looked at the dining services inventory process as well. Mrs. Reaver said the dining services have been contracted out beginning July 1, 2022, so we will not be testing deeper into the dining services inventories. Mr. Matt Simon, SC&H, agreed, stating he expects to be wrapping up soon.

FCG Fuel Contractor – Mrs. Reaver said this audit is in progress and full testing has been underway. She said she plans to meet today with Fleet and Procurement & Contracting on the next testing steps as minor over billings were discovered in the sample selection testing. Mr. Sam Fitzgerald, SC&H, agreed stating that some discrepancies were noticed and as you extrapolate that over the given time period, it does increase. The meeting will allow the County to determine a plan to move forward.

FCPS School Construction – Mrs. Reaver said the entrance meeting was held last week. She said SC&H has set up a Teams channel for document and file collection and has requested some initial documents to review before we start to fully interview FCPS for processes in August.

FCG Health Department Permitting – Mrs. Reaver said this is a new task order which has come up through the FCG Health Department. She said Dr. Barbara Brookmyer, Director, Health Services, reached out for services. These services will be paid for through the Health Department. Mrs. Reaver said they are like a quasi-state government agency, so they are receiving state grants through the state programming (not County). She said she has reached out to SC&H and has met with Dr. Brookmyer and her team to go over the task order, which will be an email vote. Mrs. Reaver said funds for this task order will be paid out through their budget and not IIAA's budget.

Special Projects and Other Work:

FCPS School Activity Funds – Mrs. Reaver said she spoke with Melissa Rollison, FCPS, and we schedule the completion of FY21 testing with high schools. She said she will start to schedule the schools, being cognizant of the August 17th start date.

FCG Non-County Agency Review – Mrs. Reaver said she is continuing to work with some of the City information, especially surrounding their Health and Human Services area and the funding that the County provides to them. She is starting to draft a memorandum while waiting on further information from the City. Mrs. Reaver said there is some opportunity for bettering due process and reporting from the City to ensure transparency to the County.

Mrs. Reaver said she wants to start thinking ahead as we enter the fall months, of what task orders we will be looking at next. She said for the County, one is the hiring and onboarding process. Mrs. Reaver said our new Equity and Inclusion Division has been looking at the same thing and so when we do our audit work, we will be communicating with them to see what they have come up with and done. Mrs. Reaver said after that, she will be looking into FCG's Procurement and Contract management and compliance as well as FCPS' leave accrual process and then also their asset and inventories audit, just like the County and FCC.

Follow Ups:

Mrs. Reaver said she has listed out all the follow ups for the Authority. She said we are going to be keeping track of each follow up item and have on each line item, the dating on when we expect some of the finalization. Mrs. Reaver said they do drop off once we close them out. She said the information requested on the DFRS matrix follow up has been received and vetted through. Mrs. Reaver said a lot of the other follow ups are waiting for certain timelines or dates which she is keeping track of monthly.

Fraud Hotline

FCPS – Mrs. Reaver said they had none.

FCC – Mrs. Reaver said they had none.

FCG – Mrs. Reaver said one came through the risk assessment process which was some concern with on/off boarding process.

Mrs. Reaver said she will be sending out the semi-annual fraud hotline announcement to all County employees. She said she might see an uptick in activity as this can happen once everyone is reminded of the fraud hotline.

Other Business

Annual Financial Review – Mrs. Reaver said she has included in the packet, the annual financial review. She said this is a summary report where she goes through all three entities (FCG, FCC, and FCPS) audits and audit packages and gives a quick overview of findings, if any. Mrs. Reaver said this report will be posted on our website.

Internal Audit Annual Report – Mrs. Reaver said after June 30th of each year, we can put together the Internal Audit Division's Annual Report. She said Mrs. Dawn Reed has been tasked with gathering all that information and putting together the draft report for Fiscal Year 2022 and should have that available to the IIAA at the September meeting.

Member terms and open seat(s) – Mrs. Reaver said we still have two (2) public, open seats to fill. She said this will be Mr. Shaun Jones' last meeting, has his new residence is just over the Frederick County line. Mrs. Reaver thanked Mr. Jones for his many years of service on the IIAA. She said she did receive an email from an interested resident and will have Mrs. Reed reach out to him and request his letter of interest and resume.

Chair & Vice Chair Appointments – Mrs. Reaver said we need to vote on the IIAA Chair and Vice Chair appointments as it has been a year already.

Mrs. Nicole Prorock made a motion to nominate and appoint Mr. Jon Alexander to IIAA Chair for the year duration of August 1, 2022, through July 31, 2023, seconded by Mrs. Sue Johnson. All those present voted in favor (Dr. April Miller absent). The motion passes.

Mr. Jon Alexander made a motion to nominate and appoint Mrs. Nicole Prorock to IIAA Vice Chair for the year duration of August 1, 2022, through July 31, 2023, seconded by Mrs. Sue Johnson. All those present voted in favor (Dr. April Miller absent). The motion passes.

Update to Annual Contracts – Mrs. Reaver said we will need to vote on our option to extend our current contracts by one year. She said the contract is good for two (2 years) with three (3) one-year extensions. Mrs. Reaver said Mrs. Dawn Reed will be putting together paperwork and will have everything ready for the IIAA to vote in the September meeting.

Risk Assessment Meetings – Mrs. Reaver said she will be starting the risk assessment meetings and getting them scheduled and may push them out to October/November/December so she can save the time in September for the FCPS' Activity Funds testing.

IIAA Meeting Format – Mrs. Reaver said we will continue with our current meeting format and any IIAA members that wish to come into Winchester Hall to join us, may do so. She said we will not be having an August meeting as the IIAA usually takes this month off and we will resume with our September meeting on the 21st.

At 9:02 a.m., Mr. Jon Alexander ended and adjourned the July 25, 2022, IIAA meeting.

Respectfully Submitted,



Dawn Reed
Coordinator, Internal Audit